

HOUSE BILL 1294
By Montgomery

AN ACT to revise classification and assessment of tangible personal property used in overnight rental properties and to amend Tennessee Code Annotated, Section 67-5-901 and Section 67-5-903.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-5-901, is amended by deleting in its entirety subsection (c).

SECTION 2. Tennessee Code Annotated, Section 67-5-903, is amended by adding the following new subsection:

() In lieu of the schedule required by this section, the alternative method provided in this subsection may be used for assessment and collection of tangible personal property used for overnight rentals as defined in §67-4-702. With the consent of the county clerk, such property may be reported to the county clerk on a form approved by the division of property assessments at the time required for the return due under §67-4-715. Such report may be filed by either the owner or a property management company on behalf of the owner. The value of such property shall be presumed, in the absence of specific evidence to the contrary, to be an amount determined from valuation models approved by the division of property assessments.

Such models shall be revised when the county is reappraised under § 67-5-1601. At the time the report is filed, the tax may be immediately collected by the county clerk based on the rate most recently adopted by the tax jurisdiction in which the property is located, and taxes collected shall be remitted by the clerk to the trustee or city collector for distribution in the same manner as other property taxes. In addition to the tax, the clerk may collect a processing fee as determined by the county legislative body, but not to exceed one dollar (\$1.00) for each overnight rental, the tangible personal property of which is assessed pursuant to this subsection.

SECTION 3. This act shall take effect upon becoming law, the public welfare requiring it, and shall be applicable for tax year 2003 and thereafter.